

## §216.57

(2) All leases have the same fixed royalty rate;

(3) All leases are operated by the same operator;

(4) The facility measurement device is operated by the same person as the leases/agreements;

(5) Production has not been previously measured for royalty determination; and

(6) The production is not subsequently commingled and measured for royalty determination at an FMP for which Form MMS-4058 is required under this part.

(b) You must submit a Production Allocation Schedule Report, Form MMS-4058, for each calendar month beginning with the month in which you first handle production covered by this section.

(c) MMS must receive your Form MMS-4058 according to the following table:

If you submit your Form MMS-4054 . . .	We must receive your Form MMS-4058 by . . .
(1) Electronically .....	The 25th day of the second month following the month for which you are reporting.
(2) Other than electronically ..	The 15th day of the second month following the month for which you are reporting.

[58 FR 45255, Aug. 27, 1993. Redesignated at 58 FR 64903, Dec. 10, 1993, as amended at 64 FR 38124, July 15, 1999]

## §216.57 Stripper royalty rate reduction notification.

In accordance with its regulations at 43 CFR 3103.4-1, titled "Waiver, suspension, or reduction of rental, royalty, or minimum royalty," the Bureau of Land Management (BLM) may grant reduced royalty rates to operators of low producing oil leases to encourage continued production. Operators who have been granted a reduced royalty rate(s) by BLM must submit a Stripper Royalty Rate Reduction Notification (Form MMS-4377) to MMS for each 12-month qualifying period that a reduced royalty rate(s) is granted.

[58 FR 64903, Dec. 10, 1993]

## Subpart C—Oil and Gas, Onshore [Reserved]

## 30 CFR Ch. II (7-1-03 Edition)

## Subpart D—Oil, Gas, and Sulfur, Offshore [Reserved]

## Subpart E—Solid Minerals, General [Reserved]

## Subpart F—Coal [Reserved]

## Subpart G—Other Solid Minerals [Reserved]

## Subpart H—Geothermal Resources [Reserved]

## Subpart I—Indian Land [Reserved]

## PART 217—AUDITS AND INSPECTIONS

## Subpart A—General Provisions [Reserved]

## Subpart B—Oil and Gas, General

Sec.

217.50 Audits of records.

217.51 Lease account reconciliation.

217.52 Definitions.

## Subpart C—Oil and Gas, Onshore [Reserved]

## Subpart D—Oil, Gas and Sulfur, Offshore [Reserved]

## Subpart E—Coal

217.200 Audits.

## Subpart F—Other Solid Minerals

217.250 Audits.

## Subpart G—Geothermal [Reserved]

## Subpart H—Indian Lands [Reserved]

AUTHORITY: 35 Stat. 312; 35 Stat. 781, as amended; secs. 32, 6, 26, 41 Stat. 450, 753, 1248; secs. 1, 2, 3, 44 Stat. 301, as amended; secs. 6, 3, 44 Stat. 659, 710; secs. 1, 2, 3, 44 Stat. 1057; 47 Stat. 1487; 49 Stat. 1482, 1250, 1967, 2026; 52 Stat. 347; sec. 10, 53 Stat. 1196, as amended; 56 Stat. 273; sec. 10, 61 Stat. 915; sec. 3, 63 Stat. 683; 64 Stat. 311; 25 U.S.C. 396, 396a-f, 30 U.S.C. 189, 271, 281, 293, 359. Interpret or apply secs. 5, 5, 44 Stat. 302, 1058, as amended; 58 Stat. 483-485; 5 U.S.C. 301, 16 U.S.C. 508b, 30 U.S.C. 189, 192c, 271, 281, 293, 359, 43 U.S.C. 387, unless otherwise noted.

### **Subpart A—General Provisions [Reserved]**

### **Subpart B—Oil and Gas, General**

AUTHORITY: The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 *et seq.*).

SOURCE: 49 FR 37345, Sept. 21, 1984, unless otherwise noted.

#### **§ 217.50 Audits of records.**

The Secretary, or his/her authorized representative, shall initiate and conduct audits relating to the scope, nature and extent of compliance by lessees, operators, revenue payors, and other persons with rental, royalty, net profit share and other payment requirements on a Federal or Indian oil and gas lease. Audits also will relate to compliance with applicable regulations and orders. All audits will be conducted in accordance with the notice and other requirements of 30 U.S.C. 1717.

#### **§ 217.51 Lease account reconciliation.**

Specific lease account reconciliations shall be performed with priority being given to reconciling those lease accounts specifically identified by a State or Indian tribe as having significant potential for underpayment.

#### **§ 217.52 Definitions.**

Terms used in this subpart shall have the same meaning as in 30 U.S.C. 1702.

### **Subpart C—Oil and Gas, Onshore [Reserved]**

### **Subpart D—Oil, Gas and Sulfur, Offshore [Reserved]**

### **Subpart E—Coal**

#### **§ 217.200 Audits.**

An audit of the accounts and books of operators/lessees for the purpose of determining compliance with Federal lease terms relating to Federal royalties may be required annually or at other times as directed by the Associate Director for Minerals Revenue Management. The audit shall be performed by a qualified independent certified public accountant or by an inde-

pendent public accountant licensed by a State, territory, or insular possession of the United States or the District of Columbia, and at the expense of the operator/lessee. The operator/lessee shall furnish, free of charge, duplicate copies of audit reports that express opinions on such compliance to the Associate Director for Minerals Revenue Management within 30 days after the completion of each audit. Where such audits are required, the Associate Director for Minerals Revenue Management will specify the purpose and scope of the audit and the information which is to be verified or obtained.

[47 FR 33195, July 30, 1982. Redesignated at 48 FR 35641, Aug. 5, 1983, as amended at 67 FR 19112, Apr. 18, 2002]

### **Subpart F—Other Solid Minerals**

#### **§ 217.250 Audits.**

An audit of the lessee's accounts and books may be made annually or at such other times as may be directed by the mining supervisor, by certified public accountants, and at the expense of the lessee. The lessee shall furnish free of cost duplicate copies of such annual or other audits to the mining supervisor, within 30 days after the completion of each auditing.

[37 FR 11041, June 1, 1972. Redesignated at 48 FR 35641, Aug. 5, 1983]

### **Subpart G—Geothermal [Reserved]**

### **Subpart H—Indian Lands [Reserved]**

## **PART 218—COLLECTION OF ROYALTIES, RENTALS, BONUSES AND OTHER MONIES DUE THE FEDERAL GOVERNMENT**

### **Subpart A—General Provisions**

Sec.

218.10 Information collection.

218.40 Assessments for incorrect or late reports and failure to report.

218.41 Assessments for failure to submit payment of same amount as Form MMS-2014 or bill document or to provide adequate information.

218.42 Cross-lease netting in calculation of late-payment interest.